Document #4644

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MEMORANDUM August 8, 1985 5C

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TO: BOSTON REDEVELOPMENT AUTHORITY, AND
STEPHEN COYLE, DIRECTOR

FROM: SUSAN ALLEN, ASSISTANT DIRECTOR AND
JAMES ENGLISH, PROJECT COORDINATOR

SUBJECT: **Charlestown Navy Yard**
Final Designation of Redeveloper
Building 34

As you are aware, the redevelopment of the commercial portion of the Navy Yard has been accelerated over the past year by the Authority's granting of Final Designations to redevelopers of Buildings 36, 149 and 199. The redevelopment of these buildings will produce in excess of 650,000 square feet of office space, 65,000 square feet of retail space and a 1,300 car parking garage. Substantial tenant interest in the Navy Yard has resulted in the subleasing of a good amount of the space being developed in these buildings.

The redevelopment of Building 34, an important component of the commercial master plan, will produce the first retail space facing the Second Avenue Pedestrian Mall and serve as a cornerstone for the redevelopment of the remaining buildings on this retail corridor.

Building 34 is one of the most architecturally significant buildings in the Navy Yard; it was designed by Alexander Parris and constructed in 1837. The developer has submitted a design, prepared by the Boston Architectural Team, which retains the historical nature of this building while refitting it for a modern use. The design has been reviewed by the Urban Design staff and has been approved as a Certified Historic Rehabilitation by the United State Department of Interior.

Financing for the project will be provided by the Boston Five in the amount of $3,700,000.00 and developer equity of $2,300,000.00.

The Tentative Designation on this project, voted November 12, 1981, was given to the First Charlestown Development Corporation. Since that time, First Charlestown has determined that it is in the best interest of the Corporation and the project to include other partners in the development team who bring to the team resources which the Corporation, by itself, was lacking. This new development entity is Navy Yard Plaza Development Associates-34 Limited Partnership. This Partnership consists of Navy Yard Plaza Development Associates Inc. (Joseph Flaherty, Chairman and Robert T. Kenney, President and Treasurer) as General Partner and the First Charlestown Development Associates as Limited Partners. A Financial disclosure statement has been filed and is attached to this memorandum.

The benefits of the project to the City and the Authority are substantial. Upon completion the project, which contains 53,611 square feet, will pay a base rent to the Authority of $37,527 and pay $130,000 in annual Real Estate Tax Payments to the City of Boston. The developers will also pay a percentage rent of 15% of net revenues on the project, a fee for maintenance services in the yard and an additional fee for security. Finally, as the redevelopment of this building is part of a total project of 300,000 square feet, this development will contribute proportionally to the overall project's obligations to the Linkage Fund, however this obligation will be triggered by the initiation of the second phase of this project.

It is recommended, therefore, that Navy Yard Plaza Associates-34 be given Final Designation as redevelopers of Building 34 in the Charlestown Navy Yard and that the Director be authorized to execute a lease with the developer for Building 34.

An appropriate resolution is attached.

RESOLUTION OF THE BOSTON REDEVELOPMENT AUTHORITY
RE: FINAL DESIGNATION OF NAVY YARD PLAZA DEVELOPMENT ASSOCIATES-34 LIMITED PARTNERSHIP
APPROVAL OF FINAL WORKING DRAWINGS AND SPECIFICATIONS
AND PROPOSED DISPOSITION OF BUILDING 34
IN THE CHARLESTOWN URBAN RENEWAL AREA
PROJECT NO. MASS. R-55

WHEREAS, the Boston Redevelopment Authority, (hereinafter referred to as the "Authority"), has entered into a contract for loan and capital grant with the Federal Government under Title I of the Housing Act of 1949, as amended, which contract provides for financial assistance in the hereinafter identified Project; and

WHEREAS, the Urban Renewal Plan for the Charlestown Urban Renewal Area, Project No. Mass. R-55, (hereinafter referred to as the "Project Area"), has been duly reviewed and approved in full compliance with local, State and Federal law; and

WHEREAS, the Authority is cognizant of the conditions that are imposed in the undertaking and carrying out of urban renewal projects with Federal financial assistance under said Title I, including those prohibiting discrimination because of race, color, sex, religion or national origin; and

WHEREAS, Navy Yard Plaza Development Associates-34 has expressed an interest in and/or have submitted a satisfactory proposal for the development of Disposition Building 34 in the Charlestown Urban Renewal Area; and

WHEREAS, the Authority is cognizant of Chapter 30, Sections 61 through 62H of the Massachusetts General Laws, as amended, with respect to minimizing and preventing damage to the environment:

NOW, THEREFORE, BE IT RESOLVED BY THE BOSTON REDEVELOPMENT AUTHORITY:

1. That Navy Yard Plaza Development Associates-34 Limited Partnership be and hereby is finally designated as Redeveloper(s) of Building 34 in the Charlestown Urban Renewal Area and is approved as successor entity to First Charlestown Development Corporation for the development of Building 34.

2. That it is hereby determined that Navy Yard Development Associates-34 possess the qualifications and financial resources necessary to acquire and develop the land in accordance with the Urban Renewal Plan for the Project Area.

3. That disposal of said Parcel by negotiation is the appropriate method of making the land available for redevelopment.

4. That the Final Working Drawings and Specifications submitted by Navy Yard Development Associates-34 for the development of Building 34 conform in all respects to the Urban Renewal Plan for the Project Area, and that said Final Working Drawings and Specifications be and hereby are approved.

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5. That it is hereby found and determined that the proposed development will not result in significant damage to or impairment of the environment and further, that all practicable feasible means and measures have been taken and are being utilized to avoid or minimize damage to the environment.

6. That the Authority enter into, and the Director be and hereby is authorized to execute on behalf of the Authority, a Lease with respect to Building 34 with Navy Yard Plaza Development Associates 34 Limited Partnership and to execute such other documents in connection with the lease as the Director may deem reasonable or necessary.

7. That the Secretary is hereby authorized and directed to publish notice of the proposed disposal transaction in accordance with Section 105(E) of the Housing Act of 1949, as amended, including information with respect to the "Redeveloper's Statement for Public Disclosure" (Federal Form H-6004).

July 29, 1985

Mr. James English
Boston Redevelopment Authority
Boston City Hall
One City Hall Square
Boston, Massachusetts 02201

Dear Mr. English:

In compliance with your request of July 24, 1985, to the General Partner of the Navy Yard Plaza Development Associates Limited Partnership - 34, I provide you with the following information:

Disclosure Statement
Required by Section 40J, Chapter 7 of the General Laws
(Chapter 579 of The Acts of 1980)

1. Location. Building 34, Charlestown Navy Yard

2. Grantor. Boston Redevelopment Authority

3. Grantee. Navy Yard Plaza Development Associates Limited Partnership - 34

I hereby state, under the penalties of perjury, that the true names and addresses of all persons who have a direct or indirect beneficial interest in the Limited Partnership are listed below in compliance with the provisions of Section 40J Chapter 7 of the General Laws.

The development team includes the following:

LEGAL:	Segal, Moran, & Feinberg	Boston, MA
ACCOUNTING:	Brown & Brown	Boston, MA
FINANCING CONSULTANT	Meredith & Grew	Boston, MA
COMMERCIAL BROKERS:	The Codman Company	Boston, MA
ARCHITECT:	Boston Architectural Team	Boston, MA
CONSTRUCTION:	Not determined at this time	
FINANCING:	Boston Five Cents Savings Bank	Boston, MA

The individuals and entities who intend to have direct financial interest and their percentage interest in this project are as follows:

GENERAL PARTNER

Navy Yard Plaza Development Associates, Inc.

Chairman	Joseph T. Flaherty	10%
President & Treasurer	Robert T. Kenney	21%

LIMITED PARTNERS - Class A 50%

The 20 limited partners have not been arranged at this time. When the syndication is completed the names and addresses will be submitted.

LIMITED PARTNER - Class B 19%

The First Charlestown Development Group, Inc.
Charlestown, Massachusetts

The undersigned also acknowledges and states that none of the above individuals is an official elected to public office in the Commonwealth of Massachusetts nor is an employee of the Division of Capital Planning and Operations of the Commonwealth.

This statement is made by Navy Yard Plaza Development Associates Limited Partnership - 34 and no partner thereof (or partner of any partner) shall be personally liable hereunder.

Signed under the penalties of perjury.

NAVY YARD PLAZA DEVELOPMENT ASSOCIATES
LIMITED PARTNERSHIP - 34

BY: Robert T. Kenney

Robert T. Kenney for
Navy Yard Plaza Development
Associates, Inc., General Partner

DATE: 7/29/85